

October 30, 2017

The Honorable Richard C. Shelby
Chairman
Joint Committee on Printing
301 Russell Senate Office Building
Washington, DC 20510

Dear Mr. Chairman:

In accordance with 44 U.S.C. 3903 and the relevant provisions of the Inspector General Act of 1978, as amended, I am transmitting to Congress the Semiannual Report of the Office of the Inspector General (OIG) for the U.S. Government Publishing Office (GPO) covering the 6-month period of April 1 through September 30, 2017, along with the following information as required by law.

This letter meets my statutory obligation to provide comments on the OIG's report and highlights management actions taken on the OIG's recommendations, which may relate to more than one reporting period.

General Comments. The OIG continues to provide valuable assistance to management in ensuring the integrity and efficiency of GPO programs and operations, safeguarding taxpayer investments in those programs, and investigating anyone allegedly abusing GPO programs.

Change in Management Challenges. In the previous OIG's Semiannual Report to Congress (covering the period October 1, 2016, through March 31, 2017), 5 Management Challenges were listed. In this report, 4 management challenges are listed. The OIG has removed the management challenge associated with developing effective strategies for addressing emerging issues related to potential labor and skills shortages as GPO continues its transformation to a digital-based platform, based on (1) demonstrated strong leadership commitment to addressing the issue; (2) ability to address the problem; (3) plan for how corrective measures will be implemented; (4) program to monitor the corrective action; and (5) demonstrated progress in the implementation of the corrective measures.

The removal of this management challenge follows the removal of 2 others since FY 2013 (Workers Compensation Programs and Sequestration). By comparison, for the period March 2006 through October 2011, GPO's OIG routinely reported 10 management challenges facing the agency. (For GPO's OIG Semiannual Reports to Congress spanning the period of October 2006 to the present, see <https://www.gpo.gov/oig/semi-annual.htm>). The number listed today represents a 60% reduction from that period.

Of the 4 remaining management challenges, 2 – in the areas of information dissemination and securing information systems – relate to GPO's continuing transformation from a print-centric manufacturing facility to a content-centric publishing operation. These are expected to be ongoing because they represent challenges rooted in continuous technological change, the outcome of which cannot be predicted at this time.

These challenges have high level, complex multi-year strategic projects that will dictate plans for how corrective actions will be implemented, programs to monitor corrective actions, and demonstrated progress in the implementation of corrective measures. The projects must be completed before these challenges will be deemed ready for removal from challenge status. As itemized in my testimony before the House Administration Committee in May 2017, the projects include:

- Releasing **govinfo**, the successor system to FDsys, from beta status;
- Continued development of GPO's Composition System Replacement (CSR) program to replace our aging Microcomp proprietary system;
- Completion of preparations for the launch of the NextGen passport;
- Enhancing the cybersecurity of GPO's IT systems through the NextGen Firewall project as well as multiple ongoing cybersecurity enhancements;
- Implementing a new automated print procurement system called DASH (Digital Acquisition Support Hub);
- Providing the ability to estimate the cost of products for profitability analyses, inventory valuations, and cost control through the development of a new cost accounting system;
- Becoming the first Federal agency to earn ISO certification as a Trusted Digital Repository for FDsys/**govinfo**;
- Continuing to work with Congress on pilot projects to convert a subset of Public Laws, Statutes at Large, Enrolled Bills, and other documents with USLM;
- Completing the digitization of historic issues of the Congressional Record and the Federal Register
- Releasing gpo.gov 2.0, the enhanced GPO website, from beta; and
- Implementing an Acquisitions Automated System CLM module as part of the Oracle portfolio.

GPO will of course work with the OIG to take the necessary actions to address and resolve the management challenges facing the agency while continuing to meet the information product requirements of Congress, Federal agencies, and the public.

OIG Audit Reports - Current and Prior Period Outstanding Recommendations. During the reporting period, the OIG issued 18 audit reports addressing different GPO programs and activities, with \$760,081 in funds that could be put to better use, and containing a total of 59 program improvement recommendations.

Cybersecurity Eleven of the reports produced during this period address cybersecurity at the GPO as this issue continues to receive prominent attention. The OIG conducted penetration testing of select web application hosting services to find vulnerabilities that an attacker could exploit. The testing resulted in 31 recommendations for strengthening cybersecurity controls. Management agreed to all of the recommendations contained in these reports.

Penetration testing was also conducted on GPO's PROBE system, which is used to track labor time and costs; on GPO's Next Generation Federal Digital System; and on GPO's Ben's Guide Web Application. Management agreed with all of the OIG's recommendations to reduce vulnerabilities in these systems.

PKI Assessment The OIG conducted its annual assessment of GPO's Public Key Infrastructure (PKI), issuing 2 reports which conclude the determination that GPO's Principal Certification Authority Certificate Practices Statement conform in all material respects to GPO's PKI Certification Authority and the Federal PKI common policies, and that GPO fairly stated management's assertion in all material respects. No recommendations were included in these reports.

Unscheduled and Unpaid Absenteeism The OIG conducted a review to identify irregular patterns of unscheduled and unpaid absenteeism with GPO's Security and Intelligent Documents (SID) business unit, identified as leave without pay (LWOP) and absence without leave (AWOL).

The OIG found that unpaid absenteeism was recorded for 33 of 175 of GPO's SID employees, and that instances of ineffective controls over unpaid absenteeism were observed for 10 of those employees, or 5.7% of the SID workforce. With respect to those 10 employees, the report identified \$760,081 in funds that could be put to better use. Management concurred with the report's recommendations to improve controls over unscheduled and unpaid absenteeism.

In considering this report and its findings, it is important to remember that, as the OIG has indicated previously (OIG audit report 16-20, "Unscheduled and Unpaid Absenteeism in the Office of Plant Operations," September 30, 2016), the use of LWOP is permitted at GPO under specified circumstances. Employees may use LWOP under the Family and Medical Leave Act (FMLA), while being called to active duty under the Uniformed Services Employment and Reemployment Rights Act, to take advantage of an educational or training opportunity if an employee has used up all annual leave, or if an employee is awaiting a decision on either workers' compensation or disability retirement. In addition, if approved, limited amounts of LWOP may be used in lieu of annual or sick leave for personal emergencies if an employee has exhausted those accounts for a leave year.

In a recent analysis of LWOP utilization in GPO's Plant Operations business unit, the largest of GPO's business units, management determined that approximately 34% of its employee LWOP use was leave without pay in lieu of annual leave, another 30% was FMLA leave, 18% was used

in lieu of sick leave, and the remaining 18% was LWOP for other miscellaneous reasons. It is this final category of LWOP use that is the target of efforts to tighten management controls.

Overall, the use of LWOP had declined at GPO in recent years. The number of LWOP hours used by GPO employees agency-wide fell from 50,678 in FY 2007 to 32,278 in FY 2016, a drop of 35%. This decline exceeds the overall reduction in GPO employment during that same period (25%). The number of employees using LWOP declined from 462 in 2007 to 249 in 2016, a reduction of 46%. Through the first 7 months of FY 2017, LWOP use was 9,478 hours, a number which would annualize at 16,248 hours (barring any acceleration in the rate of LWOP use as the leave year comes to an end).

The OIG's latest report concludes that as of January 2017 the rate of LWOP use GPO-wide was 15.3%. By comparison, an OIG report covering LWOP use in 2009 and 2010 (OIG audit report 12-01, "Selected Aspects of GPO Time and Attendance and Payroll Administration," November 16, 2011), found agency-wide LWOP utilization rates of 16.2% and 18%, respectively. In recent years, GPO's employees have designated the agency as a "best place to work." Improving workplace conditions and fostering greater employee engagement in agency operations can help to improve employee morale, which can affect the rate of LWOP use.

Card Stock Accountability Following the receipt of information concerning missing blank card stock use to produce Department of State identification documents, the OIG conducted a review to determine the steps GPO takes to safeguard against the loss and/or unauthorized use of select card stock. The stock was subsequently located within GPO. Nevertheless, management concurred with the OIG's recommendations to improve monitoring and accountability for card stock.

There were 66 recommendations open as of April 1, 2017, including 46 on which corrective action has not been completed in more than one year. During the reporting period, GPO management closed out 56 recommendations.

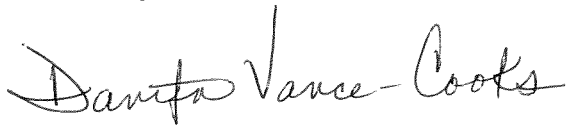
OIG Investigations. The OIG concluded 3 investigations during the reporting period. These included investigations of a contractor for violating the Buy American Act and GPO contract terms when it provided foreign-manufactured goods in fulfillment of GPO contracts; and an investigation of 3 companies operating as affiliates for violating the Buy America Act in the performance of 7 GPO contracts. Those investigations resulted in 11 businesses and individuals being referred for suspension and/or debarment and other action, and identified \$942,247 in investigative cost efficiencies, restitutions, recoveries, fines, penalties, and funds that could be put to better use. At the request of GPO management, the OIG also investigated a GPO employee for violating GPO's internet and email policies, which prohibit employees from accessing and downloading information related to terrorist activities, and for engaging in conduct that creates a hostile work environment. The OIG's findings were referred to management for disposition.

Statistical Tables. Statistical tables as required by law are enclosed.

As always, I deeply appreciate the efforts of the OIG's audits and investigative staffs to ensure the integrity and efficiency of GPO programs and operations, safeguard taxpayer assets in those programs, and investigate and bring to justice those who abuse the public's trust.

If you need additional information with respect to this report, please do not hesitate to contact Mr. Andrew M. Sherman, GPO's Chief of Staff, on 202-512-1100, or by e-mail at asherman@gpo.gov.

Sincerely,

A handwritten signature in cursive script that reads "Davita Vance-Cooks". The signature is written in dark ink and is positioned above the printed name and title.

DAVITA VANCE-COOKS
Director
U.S. Government Publishing Office

Enclosures

cc: The Honorable Rodney Davis, Vice Chairman, JCP
The Honorable Pat Roberts
The Honorable Roger Wicker
The Honorable Amy Klobuchar
The Honorable Tom Udall
The Honorable Gregg Harper
The Honorable Mark Walker
The Honorable Robert Brady
The Honorable Jamie Raskin

ENCLOSURE I

AUDIT REPORTS ISSUED DURING THE REPORTING PERIOD WITH QUESTIONED COSTS, FUNDS PUT TO BETTER USE, AND OTHER MONETARY IMPACT

<u>Report Number</u>	<u>Number of Recommendations</u>	<u>Questioned Costs (\$)</u>	<u>Funds Put to Better Use (\$)</u>	<u>Other Monetary Impact (\$)</u>
17-10	2	0	0	0
17-11	18	0	0	0
17-12	2	0	0	0
17-13	3	0	\$760,081	0
17-14	2	0	0	0
17-15	5	0	0	0
17-16	2	0	0	0
17-17	5	0	0	0
17-18	4	0	0	0
17-19	2	0	0	0
17-20	2	0	0	0
17-21	1	0	0	0
17-22	4	0	0	0
17-23	2	0	0	0
17-24	2	0	0	0
17-25	3	0	0	0
17-27	0	0	0	0
17-28	0	0	0	0

ENCLOSURE II

AUDIT REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE, QUESTIONED COSTS, AND OTHER MONETARY IMPACT

	Number of <u>Reports</u>	Funds Put to Better Use and Other <u>Monetary Impact</u>
Reports for which no management decisions were made by the beginning of the reporting period	0	0
Reports issued during reporting period:	18	\$760,081
Audit Report No. 17-13		\$760,081
Reports for which a management decision was made during the report period:		
1. Dollar value of recommendations not agreed to by management		0
2. Dollar value of recommendations agreed to by management		0
Reports for which management decision was made by the end of the reporting period	18	0
Reports for which no management decision was made within 6 months of issuance	0	0